

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Request by Wayne and Doris Maier, Owners of Hidden Paradise Resort, to Receive Electric Service from Minnesota Power Company Instead of Crow Wing Cooperative Power and Light Company

ISSUE DATE: August 9, 1988

DOCKET NO. E-015, E-109/SA-87-669
(E18-01)

ORDER DENYING CHANGE IN
ASSIGNED SERVICE AREAS AND
REQUIRING FILING OF AGREEMENTS
ALTERING ASSIGNED SERVICE AREAS

PROCEDURAL HISTORY

On October 16, 1987 Wayne and Doris Maier filed a request for a change in the assigned service areas of Minnesota Power Company (Minnesota Power) and Crow Wing Cooperative Power and Light Company (Crow Wing). Mr. and Mrs. Maier own and operate Hidden Paradise Resort and Campground, which is located near Brainerd, Minnesota.

The resort property spans the service areas of both utilities, but all electric service is delivered and used in the part of the property in Crow Wing's service area. Crow Wing provides most of the resort's electricity, but Minnesota Power continues to serve two meters it was serving when assigned service areas were set, pursuant to a 1974 agreement between the two utilities.

The Maiers now plan to update their electrical facilities. They report that it would be more economical for them to receive all their electric service from Minnesota Power, both in terms of installation costs and regular rates. They have asked Crow Wing to release its rights to serve their resort, and Crow Wing has refused. They have therefore filed a request that the Commission redraw the assigned service areas of the two utilities.

The Department of Public Service (the Department) has investigated the request and recommended denial. The Department pointed out, however, that the Maiers are free to receive power from Minnesota Power at any point on their property within Minnesota Power's service area and to transmit that power to any other point on their property using their own equipment.

No other party commented on the request for a change in assigned service areas.

FINDINGS AND CONCLUSIONS

Factual and Statutory Background

In 1974 the legislature directed that the state be divided into geographical areas, called assigned service areas, in which electric utilities would have exclusive service rights. The reasons for establishing assigned service areas were to encourage the development of coordinated statewide electric service, to avoid unnecessary duplication of electric facilities, and to promote the provision of economical, efficient, and adequate electric service throughout the state. Minn. Stat. Section 216B.37 (1986). The Commission was to set the boundaries of these assigned service areas, after notice and hearing. Minn. Stat. Section 216B.39, subd. 2 (1986).

The assigned service areas at issue were established in a 1975 Commission proceeding, docket number USA-4, after public and evidentiary hearings. The exception allowing Minnesota Power to continue serving two meters at the Maiers' resort was a private agreement between the two utilities. They were empowered to make such agreements under Minn. Stat. Section 216B.40 (1986). If not for the agreement, Minnesota Power would not have been able to deliver power to any point on the Maiers' property within Crow Wing's service area.

Commission Action

The Commission agrees with the Department that this request to change or make an exception to the assigned service areas set in the USA-4 docket should be denied.

The governing statute is clear on its face and requires that assigned service areas be strictly observed:

Except as provided in sections 216B.42 and 216B.421, each electric utility shall have the exclusive right to provide electric service at retail to each and every present and future customer in its assigned service area and no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing; provided that any electric utility may extend its facilities through the assigned service area of another electric utility if the extension is necessary to facilitate the electric utility connecting its facilities or customers within its own assigned service area.

Minn. Stat. Section 216B.40 (1986).

The Commission could, after notice and hearing, conduct a full scale examination of the assigned service areas of these two utilities in light of current conditions and make any boundary changes found necessary and reasonable. Minn. Stat. Section 216B.39, sub. 3 (1986). The criteria for evaluating potential changes, however, would still be the statutory goals of encouraging the

development of coordinated statewide electric service, avoiding unnecessary duplication of facilities, and promoting economical, efficient, and adequate electric service throughout the state.

This complaint focused on individual needs and did not allege such concerns. The DPS, which investigated the complaint, identified no facts or issues justifying full scale examination of these two assigned service areas. The Commission therefore declines to re-evaluate the service areas established in the USA-4 case.

Agreement to be Filed

The Commission notes that Crow Wing and Minnesota Power inadvertently failed to file their agreement regarding the Maier's property. It is important that such agreements be on file to allow the Commission, the Department, and parties who may rely on the maps for planning purposes to have accurate information available to them. The Commission will require these utilities to file this agreement, and any other agreement affecting the boundaries set in the USA-4 case, within ten days of the date of this Order.

ORDER

1. The Complaint filed by Wayne and Doris Maier is denied.
2. Minnesota Power Company and Crow Wing Cooperative Power and Light Company shall file with the Commission all agreements affecting the boundaries set in the USA-4 case, within ten days of the date of this Order.

4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)